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# ACTIVITIES OF THE ECONOMIC COMMISSION FOR EUROPE TO IMPLEMENT THE PERTINENT PROVISIONS OF THE FINAL ACT OF THE CONFERENCE ON SECURITY AND COOPERATION IN EUROPE (CSCE) AND OTHER CSCE DOCUMENTS, INCLUDING THE CHARTER OF PARIS FOR A NEW EUROPE

Report by the Executive Secretary

1. Below is a short account of on-going and envisaged activities of ECE of relevance to the provisions of the Documents of the CSCE meetings in Vienna (1986, follow-up meeting), Sofia (1989, on protection of the environment), Bonn (1990, on economic cooperation), and Palma de Mallorca (1990, on the Mediterranean), as well as the Paris Charter for a New Europe (1990).

## Trade and industrial cooperation

2. The Bonn Conference recognized the particular importance of small and medium-sized enterprises (SMEs) in economic cooperation and decided to pay special attention to the creation of a competitive business environment conducive to their development. The Committee on the Development of Trade invited the secretariat to prepare a study on the role of SMEs in the Economies in Transition and the promotion of conditions for their greater participation in interregional trade. The Committee suggested the convening of a workshop in 1992 on the implications of privatization, including the role of SMEs for international trade and investment.

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3. It also requested the secretariat to prepare a note on the organization of information sources relevant to trade and investment activities in the economies in transition needed by business operators.

4. The growing importance of services in international trade and economic development was noted by the Vienna Meeting. In 1991 the secretariat prepared a note on the efforts needed to extend and improve the data base on east-west service transactions. The Committee on the Development of Trade invited the secretariat to survey the work of international organizations (e.g. GATT, IMF, UNCTC) to find out whether they include service transactions involving the economies in transition and to draw up an inventory of what data on service transactions are available in member countries and the methodologies used to compile them.

5. The Bonn Conference agreed to foster a favourable climate for investment and different forms of industrial cooperation. It recognized the importance of comprehensive information on legal provisions in host countries for foreign investment, joint ventures and other forms of cooperation, including those concerning foreign staff.

6. In 1992 a Guide on Legal Aspects of Privatization in Industry was published. A study on promoting foreign direct investment in the ECE region will also be published in 1992. A Statistical Survey of Joint Ventures Registered in the Countries in Transition was submitted to the Committee on the Development of Trade in December 1991. Work will continue on issues related to foreign direct investments including difficulties experienced in investment flows such as legislative factors and inconvertibility of currencies. A seminar on the promotion of foreign direct investments will be organized in the near future. The secretariat will also prepare a comparative analysis of laws and regulations related to privatization and foreign investment in the economies in transition. A quarterly East-West Joint Ventures News is published by the secretariat. In 1992 this newsletter will change its title to East-West Investment News and will cover also legal and economic conditions for foreign investment in western market economies.

7. The Bonn Conference confirmed the importance of marketing and product promotion as a means of developing trade and industrial and economic cooperation. The holding of a workshop on this topic in Malta in 1992 is being considered.

8. The trade facilitation activities of the ECE, of which the EDIFACT project is the most vivid example, continues to have general support and encouragement from the CSCE participating States. At the Bonn Conference they explicitly stressed the importance of trade facilitation and electronic data interchange for their trade relations. The global importance of UN/EDIFACT has received international recognition and the development, monitoring and promotion of these standards are being actively implemented by ECE.

Environment

9. The Sofia Meeting agreed on concrete proposals for enhanced cooperation on the environment. It gave new impetus to regional cooperation through ECE, particularly regarding industrial accidents and transboundary waters. Pursuant to the recommendations of the Vienna and Sofia Meetings a Convention on

Transboundary Effects of Industrial Accidents and on the Protection and Use of Transboundary Watercourses and International Lakes have been finalized for adoption and signature in early 1992.

10. The Palma Meeting agreed to reinforce, in accordance with the Convention on Long-range Transboundary Air Pollution (LRTAP), cooperative activities on air quality problems, including those associated with photochemical ozone and other secondary pollutants. It proposed that the experience of the ECE and other relevant organizations and institutions should be utilized in the setting up of a coordinated information system on the state of the environment and natural resources as well as in promoting exchange of information in the Mediterranean area.

11. The Charter of Paris welcomed the operational activities, studies and policy reviews in various international organizations engaged in the protection of the environment, such as UNEP, ECE and OECD and emphasized the need to strengthen their cooperation and their efficient coordination.

12. In November 1991 the Executive Body for the Convention on LRTAP established a Working Group on Strategies which will prepare a draft protocol for further reduction of sulphur emissions after 1993. European maps on critical loads for total acidity and sulphur and their exceedances were made available in 1991. Task forces on emissions of heavy metals and persistent organic pollutants will work to substantiate information as a basis for elements of possible protocols by 1994.

13. In the light of the understanding reached at the Sofia Meeting and the Paris Summit, the Senior Advisers on Environmental and Water Problems, in cooperation with OECD, are promoting regional cooperation for the management of hazardous chemicals.

14. A number of other ECE activities are directly related to the CSCE process. They focus on the economic, legal and monitoring aspects of the environment.

15. A Convention on Environmental Impact Assessment in a Transboundary Context was adopted in Espoo (Finland) in March 1991 and signed by 28 ECE countries and the European Community.

16. The Geneva Protocol concerning the Control of Emissions of Volatile Organic Compounds or their Transboundary Fluxes was signed on 19 November 1991 by 21 Parties to the Convention on LRTAP.

17. A research colloqium on management and implementation of ecological measures in human settlements was held in Copenhagen (Denmark) in September 1991 under the auspices of the Committee on Human Settlements and a workshop on sustainable development of human settlements will be held in Orebro (Sweden) on 3-6 May 1992.

Statistics

18. The Conference of European Statisticians is focusing on transition, integration and development projects in the light of the relevant provisions of the Vienna Meeting, the Bonn Conference and the Paris Summit. A number of workshops and consultations for national statistical offices in transition

countries have been organized in collaboration with the World Bank, the IMF and the OECD and with statistical experts in market economy countries. Advice is provided for projects elaborated by national statistical offices in transition countries.

19. The Palma Meeting expressed the view that a meeting of statistical offices of the Mediterranean countries could be convened by an appropriate institution, such as the Conference of European Statisticians, to discuss harmonization of statistical methods and to consider possible assistance in the field of statistics. The Conference at its 1991 session considered convening such a meeting in Italy in October 1992.

20. In the Concluding Documents of the Vienna and Bonn Meetings, the participating States agreed to promote comprehensive cooperation between their statistical services in the bilateral and multilateral context and within the framework of the ECE in order, inter alia, to improve the international comparability of statistics. Seven workshops for national statistical offices in transition from a centrally planned to a market economy were organized, in order to improve the comparability of economic statistics.

Transport

21. The Vienna Concluding Document and the Charter of Paris recognized the important role of transport in economic and social development. The Vienna Concluding Document explicitly welcomed the work done by ECE in this respect. Particular attention was drawn to questions of multimodal transport networks, combined transport, transit flows and the simplification of transport documents. In the fields of transport safety, vehicle noise and pollution control the work of the ECE is also recognized by the Governments.

22. The Palma Meeting emphasized the importance of a rational development of transport infrastructure and the usefulness of the analysis of the current and potential transport flows. The fruitful work of the ECE and UNDP and the appropriateness of continuing this activity were noted.

23. The ECE is continuing its activities on the promotion of an all-European transport system including action to increase the efficiency of such a system while limiting the impact of transport on the environment. It continued to serve as Executing Agency for the Trans-European North-South Motorway (TEM) project, and the Trans-European North-South Railway (TER) project.

Economic analysis

24. Economic analysis provided by the ECE secretariat, notably in respect of the developments in the transition countries and economic relations between them and the developed market economies, has long been considered as an important contribution to the understanding of the economic developments in the ECE region.

25. In addition to the analysis of current economic developments and short-term prospects, the secretariat has recently provided a comprehensive review of the economic reforms and/or the transition to the market system in central and eastern Europe. After the first volume, Economic Reforms in the European Centrally Planned Economies, issued almost a year before the revolutionary

events began, another volume, entitled Reforms in Foreign Economic Relations of Eastern Europe and the Soviet Union, was published in early 1991. Both volumes provide a comprehensive insight into the problems and alternative paths of economic reforms, based on combined efforts of prominent economists of the western and the transition countries.

26. The Senior Economic Advisers also addressed the issue of economic reforms in May 1991 and, after a careful insight into the subject, adopted brief recommendations on the contents and sequencing of the reforms required for a successful transition to the market system. A first roundtable, focusing on the theme Economic Reforms and their Significance for All-European Cooperation, was organized in 1990 and another in 1991 was devoted to Five Years of Perestroika - Results, Problems, Prospects. The transcripts of both roundtables have been published in the series UN/ECE Discussion Papers.

Energy

27. In the Charter of Paris, the participating States declared that they "are determined to give the necessary impetus to cooperation among States in the field of energy ... and welcome in particular practical steps to create optimal conditions for the economic and rational use of energy resources, with due regard to environmental considerations".

28. The participating States at the Bonn Conference considered that they should extend and deepen their cooperation in the field of energy and raw-materials-saving techniques and would also cooperate bilaterally and multilaterally in the field of hydrocarbon technologies, solid fuels and renewable energies, and processes for the separation of waste components and their recyling. The Paris Summit attached priority to the introduction of clean and low-waste technology. The Palma Meeting encouraged the exchange of information and regional cooperation in the field of solar and wind energy.

29. These provisions have given added importance to ECE's work in the field of energy, such as:

- the Project "Energy Efficiency 2000" which aims at reducing the energy efficiency gap between member States, by organizing information campaigns and business contacts on the occasion of trade fairs, conventions and symposia bringing together businessmen, trade officials, bankers, engineers and energy managers, with a focus on energy efficient technologies and management practices.

- the UNDP/ECE Project on "Solar Applications and Efficient Building Design", was concluded at the end of 1991;

- the UNDP/ECE Inter-Country Project on International Cooperative Research on Low-Calorie Solid Fuel Technologies, which concluded at the end of 1991, provided for a transfer of information on the clean combustion, particularly of low-grade coals by means of workshops, technical visits and multi-country, cooperative research programmes;

- a Seminar on Solar Power Systems, held in Alushta (Ukraine) in April 1991, which reviewed the state of the art of photovoltaic systems and of international cooperation in this field.

Science and Technology

30. The Vienna and Bonn Meetings and the Berlin Meeting of the CSCE Council emphasized the importance of cooperation in science and technology and underlined that this was now an important pillar of the CSCE. At the Paris Summit, the participating States agreed to review progress periodically and give new impulses in these fields.

31. In recent years, science and technology has taken an increasingly important place in the activities of virtually all the ECE subsidary bodies. The Senior Advisers on Science and Technology are the focal point for the exchange of information on current developments in national science and technology policies, priorities and institutions. They held a forum discussion on the organization of R & D and economies in transition in September 1991. Their next quadrennial review of changes in national science and technology policies will be carried out in 1992. A forum discussion will be held in September 1992 on the managerial aspects and the relationship between national and federal/regional bodies, including governmental and non-governmental bodies, in promoting innovation.

32. The Vienna Meeting considered it desirable to enhance the exchange of information on laws and regulations relating to safety aspects of genetic engineering and to facilitate consultations and exchange of information on safety guidelines. A series of monographs concerning safety guidelines in biotechnology submitted by Governments and international organizations were issued.

Co-operation in other areas

33. Work is underway in ECE in other areas of cooperation identified in the Vienna Concluding Document and the Charter of Paris. For example, research is being conducted on the economic importance of tourism, the problem of migrant workers and their families and vocational training.

34. A Symposium on Planning for Sustainable Tourism Development was organized in Luxembourg in October 1991. This project is implemented in close cooperation with the World Tourism Organization (WTO) and the Commission of the European Communities. A follow-up meeting was held in the United Kingdom (1991) and two others will be held in France and Hungary in 1993.

35. The Bonn Concluding Document recognized the importance of town planning in redressing urban problems caused by substantial deterioration in the quality of life, as well as ensuring the possibility of citizens to freely take part in economic, political, social and cultural life. The Committee on Human Settlements will address the problems of urban ecology at the Seventh Conference on Urban and Regional Research in 1992. The Committee also initiated projects on planning aspects in transition countries and with respect to human settlements sustainable development.

36. The Concluding Document of the Bonn Conference affirmed the importance of cooperation in agro-industry and food-processing. The Working Party on Engineering Industries and Automation finalized in 1991 a study on food-processing machinery, including packaging techniques, followed by a study tour of Hungarian food-processing industry in October 1991.

37. The general principles and provisions of the Helsinki Final Act and other CSCE documents are also relevant to the activities of the Committee on Agriculture and the Timber Committee. For example, various activities are being undertaken in the field of forest fire prevention and control. Statistics on forest fires are collected and disseminated regularly and International Forest Fire News is issued twice yearly. In 1991 a seminar was held in Greece on forest fire prevention, land use and people, to find solutions to the socio-economic factors associated with the incidence of forest fires, especially in Mediterranean countries.

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38. At the Prague Meeting of the CSCE Council in January 1992 the Ministers of the participating States stressed that "the challenges facing Europe call for multifaceted forms of cooperation, and a close relationship among European, transatlantic and other international institutions and organizations, drawing as appropriate upon their respective competences". They also requested their representatives at the Helsinki Follow-up Meeting to study further ways and means of fostering such cooperation with a view to enhancing its effectiveness and to avoid duplication.

39. At the same Meeting the Ministers agreed to establish an Economic Forum within the framework of the Committee of Senior Officials (CSO):

a) to give political stimulus to the dialogue on the topics of the transition to and development of free-market economies,

b) to suggest practical efforts for the development of free-market systems and economic cooperation, and

c) to encourage activities already underway within organizations such as OECD, EIB, EBRD and the United Nations Economic Commission for Europe.

40. The Forum will meet periodically in Prague and can invite contributions to its meetings by those European and transatlantic organizations relevant to the subject under discussion. The first meeting would be in early 1993.

41. The Ministers also agreed that the Helsinki Follow-up Meeting will consider appropriate further measures to promote discussions in the framework of the CSCE on economic cooperation and related topics.

42. In the Prague Document there is a special chapter on CSCE relationship with international organizations which specifies that ECE and some other European and transatlantic organizations will be invited to make contributions on the basis of CSCE precedent and practice to specialized CSCE Meetings where they have relevant expertise. In particular it states that "to ensure full coordination, the Ministers would welcome it if the above organizations would inform the CSCE Secretariat annually of their current work programme and of the facilities available for work relevant to the CSCE". The secretariat will comply with this request and provide on a regular basis the relevant materials to the CSCE secretariat in Prague.